

ASSIGNED

Serial No. **61546**

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE
STATE OF NEVADA HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office... **SEP 15 1995** NEW PRIORITY DATE: MAY 16 2000

Returned to applicant for correction.....

Corrected application filed..... Map filed 6-20-88 under 51990

The applicant... **FMG, INC AKA FIRST MISS GOLD INC.**

PO BOX 220 of **GOLCONDA NV 89414**
Street and No. or P.O. Box No. City or Town

State and Zip Code No. hereby make 5 application for permission to change the

PLACE OF USE OF A PORTION

Point of diversion, manner of use, and/or place of use
of water heretofore appropriated under **PERMIT 51990**
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and

identify right in Decree.

1. The source of water is **UNDERGROUND WELL**
Name of stream, lake, underground spring or other source.

2. The amount of water to be changed **1.2 CFS, 141.594 MGA**
Second feet, acre feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for **MINING MILLING & DOMESTIC**
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

4. The water heretofore permitted for **MINING MILLING & DOMESTIC**
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

5. The water is to be diverted at the following point **(UNCHANGED): NW $\frac{1}{4}$ NE $\frac{1}{4}$ S.8, T38N, R43E, MDM AT**
Describe as being within a 40-acre subdivision of public survey and by course and
A POINT FROM WHICH THE NORTH QUARTER CORNER OF SAID S.8 BEARS N7°41'40"W, 803.83
distance to a section corner. If on unsurveyed land, it should be stated.
FEET (SEE MAP ON FILE UNDER PERMIT #28757).

6. The existing permitted point of diversion is located within **SAME AS #5 ABOVE**
If point of diversion is not changed, do not answer.

7. Proposed place of use **WITHIN SECTIONS 21,22,23,26,27,28,29,32,33 & 34 IN T39N,**
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.
R42E, MDM; AND WITHIN SECTIONS 3,4,9 & 10 IN T38N, R42E, MDM. SEE MAP ON FILE
UNDER AP'N NO 61201 T

8. Existing place of use **PORTIONS OF E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ AND NE $\frac{1}{4}$ NE $\frac{1}{4}$ OF S27,**
Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or
T39N, R42E, MDM; AND A PORTION OF E $\frac{1}{2}$ SE $\frac{1}{4}$ S22; AND A PORTION OF THE SW $\frac{1}{4}$ SW $\frac{1}{4}$ S23;
manner of use of irrigation permit, describe acreage to be removed from irrigation.
AND A PORTION OF THE NW $\frac{1}{4}$ NW $\frac{1}{4}$ S26, ALL IN TWP 39N, R42E, MDM.

9. Use will be from **JANUARY 1** to **DECEMBER 31** of each year.
Month and Day Month and Day

10. Use was permitted from **JANUARY 1** to **DECEMBER 31** of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and
specifications of your diversion or storage works.) **NO CHANGE-EXISTING PUMP, MOTOR & PIPELINES**
State manner in which water is to be diverted, i.e. diversion structure,
ditches, pipes and flumes, or drilled well, etc.

12. Estimated cost of works **\$690,000**

13. Estimated time required to construct works **EXISTING-SEE PERMIT 28757**

14. Estimated time required to complete the application of water to beneficial use. IMMEDIATE

15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

THIS APPLICATION IS TO CHANGE THE PLACE OF USE OF ANY RIGHT REMAINING AT THE
POINT OF DIVERSION IN AN EFFORT TO CONSOLIDATE AND SIMPLIFY THE PLACE OF USE,
AND TO PREPARE FOR FILING A PROOF OF BENEFICIAL USE.

Compared ds/bk cl/bk

Protested

By s/ MICHAEL S. SMITH, AGENT
SAGE ENGINEERING
3210 MARKRIDGE DR.
RENO, NV. 89509

APPROVAL
OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the place of use of a portion of the waters of an underground source as heretofore granted under Permit 51990 is issued subject to the terms and conditions imposed in said Permit 51990 and with the understanding that no other rights on the source will be affected by the change proposed herein. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

This permit will allow the permittee to dewater the pit area and underground mining operations. It is understood that any water pumped as a result of this dewatering operation will be used first by the permittee for surface and underground (CONTINUED ON PAGE 2)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.2 cubic feet per second, but not to exceed 141.594 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before February 30, 1997

Proof of completion of work shall be filed before March 30, 1997

Application of water to beneficial use shall be made on or before February 30, 1998

Proof of the application of water to beneficial use shall be filed on or before March 30, 1998

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed MAR 28 1997

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

CANCELLED MAY 31 2000 BECAUSE OF FAILURE
OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT

Michael Turnipseed P.E.
STATE ENGINEER

can rescinded 6-19-00

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.
State Engineer of Nevada, have hereunto set my hand and the seal of my

office, this 3rd day of May,

A.D. 19 96

Michael Turnipseed P.E.
State Engineer

(PERMIT TERMS CONTINUED)

mining, milling, leaching, drilling, road watering and other related mining uses hereinafter referred to as mining and milling uses within the described place of use of this permit.

The State Engineer retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights. Any water produced from this dewatering operation and not used for mining and milling purposes must be injected or infiltrated back to the Kelley Creek Groundwater Basin. The method of infiltration shall be designed to minimize any evaporation losses. Any injection or infiltration of water must have the necessary permits issued by the Nevada Division of Environmental Protection.

This permit does not extend the permittee the right of ingress and egress on public, private, or corporate land.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection relating to the dewatering project.

The total combined duty of water for consumptive purposes under Permits 28758, Certificate 13803; 45730, Certificate 13805; 45731, Certificate 13806; 45732, Certificate 13807, 49815, Certificate 13809; 51990, 52476, Certificate 13817; 53015; 53030; 58406; 58408; 61546; 61557-T; 61558-T; 61559-T; 61601; 61602; 61603; 61604; 61605; 61667-T; 61686; 61688; 61689; 61690 and 61862-T shall not exceed 1034.0 million gallons annually.

The total combined diversion rate under the above referenced permits and any subsequent changes to these permits shall not exceed 15.60 cubic feet per second (7,000 gallons per minute).

Monthly records will be kept of the following: the volume of water pumped from each well, the volume of water consumptively used for mining and milling uses project wide, the amount of water discharged to infiltration or injection and the water level (static or pumping) of each permitted well and monitoring wells HL-1, DM-3, MW-16, MW-17 and MW-18. These records will be submitted within 15 days after the end of each month. A method that estimates the amount of evaporative losses from the discharge system will be submitted with the monthly report. The evaporative losses will be considered as a part of the combined duty for consumptive purposes.

All flow measurements taken at those locations described in Covenant 2.3 (Flow Measurement) of the Water Resources agreement between FirstMiss Gold, Inc. and LaVar Murdock, dba Adams Peak Properties dated February 27, 1996, shall be reported in the above monthly report.

All of the above stated conditions are issued subject to having no adverse impacts on existing rights.

The issuance of this permit expires Permit 61201-T.